CONGRESSIONAL BUDGET OFFICE
U.S. CONGRESS
WASHINGTON, D.C. 20515

November 16, 1987

Honorable James C. Miller III
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Miller:

In accordance with the new procedures of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, Public Law 100-119, I herewith transmit to you my revised sequestration report for fiscal year 1988.

The purpose of this report is to indicate whether and to what extent, as a result of laws enacted and regulations promulgated since October 10, 1987, the Congressional Budget Office estimates for the budget baseline deficit for 1988 and the required amount of outlay reductions have changed from my initial sequestration report. This report is based on the same economic and technical assumptions, employs the same methodologies, and uses the same definition of the budget baselines and the same criteria and guidelines as those used for my initial sequestration report.

As of the close of business November 13, 1987, our estimate of the baseline deficit for 1988 is $179.9 billion. This is $0.6 billion higher than our estimate as of October 10, 1987, as a result of the enactment of Public Law 100-136. This legislation requires that certain veterans housing loans be sold with recourse to the federal government. Under our scoring conventions, the receipts from such sales are not counted as offsetting collections, which raises our baseline outlay estimates for the Veterans Administration.

The increase in our estimate of the baseline deficit does not change the required amount of outlay reductions to be obtained through sequestration, which by law is limited to $23 billion for 1988. Accordingly, the sequestration calculations required for this revised report, with certain minor exceptions, are identical to those contained in my initial report. These calculations were printed in the *Federal Register* of October 16, 1987 (Vol. 52, No. 200, Part VI, pages 38682-38737) and are submitted again by reference to this earlier report, with certain changes as set forth in Attachment A to this letter.

With best wishes,

Sincerely yours,

Edward Gramlich

Edward M. Gramlich
Acting Director

Enclosure

J932-27

ATTACHMENT A

REVISIONS TO THE INITIAL SEQUESTRATION REPORT
FOR FISCAL YEAR 1988 (In thousands of dollars)

In a few instances, the amounts shown in the appendix to CBO's October 15 report were incorrect. Listed below are the initial and revised sequestration calculations for the affected accounts.

	Initial		Revised	
	Base	Sequester	Base	Sequester
Department of Agriculture				
Agricultural Research Service				
Buildings and facilities				
(12 1401 01 352)				
Budget authority	32,510	2,829	1,042	91
Cooperative State Research Service				
Cooperative State Research Service				
(12 1500 01 352)				
Budget authority	317,200	27,597	392,034	34,107
401 (c) authority	9,170	798	0	0
Outlays	177,514	15,444	214,848	18,692
Agricultural Stabilization and Conservation Service				
Conservation reserve program				
(12 3319 01 302)				
Budget authority and outlays	560,700	48,781	584,250	50,830
Department of the Interior				
Bureau of Reclamation				
Working capital fund				
(14 4524 04 301)				
Budget authority	6,400	557	6,669	580
Outlays	4,480	390	4,668	406
National Park Service				
Operation of the national park system				
(14 1036 01 303)				
Budget authority	758,567	65,995	749,559	65,212
Office of Territorial Affairs				
Administration of territories				
(14 0412 01 806)				
Budget authority	81,637	7,102	44,782	3,896
Department of Labor				
Employment and Training Administration				
Unemployment trust fund (training and employment)				
(20 8042 07 504)				
Obligation limitation	361,157	31,421	630,535	54,857
Department of Housing and Urban Development				
Housing Programs				
Nonprofit sponsor assistance				
(86 4042 03 604)				
Direct loan limitation	1,000	87	1,042	91
Federal Housing Administration fund				
(86 4070 03 371)				
Direct loan limitation	73,800	6,421	76,900	6,690
Guaranteed loan limitation	100,000,000	8,700,000	104,200,000	9,065,400
Obligation limitation	306,962	26,706	334,555	29,106

	Initial		Revised	
	Base	Sequester	Base	Sequester
Housing for the elderly or handicapped fund (86 4115 03 371)				
Budget authority	3,907	340	4,071	354
Direct loan limitation	621,700	54,088	617,553	53,727
Government National Mortgage Association				
Guarantees of mortgage-backed securities (86 4238 03 371)				
Guaranteed loan limitation	150,000,000	13,050,000	156,300,000	13,598,100
Department of Transportation				
Coast Guard				
Offshore oil pollution compensation fund (69 5167 02 304)				
Obligation limitation	60,000	5,220	62,520	5,439
Deepwater port liability fund (69 5170 02 304)				
Obligation limitation	50,000	4,350	52,100	4,533
Independent Agencies				
Environmental Protection Agency				
Advances to the hazardous substance superfund (68 0250 01 304)				
Budget authority	0	0	167,000	14,529
Veterans Administration				
Direct loan revolving fund (36 4024 03 704)				
Direct loan limitation	1,000	87	1,042	91
Loan guarantee revolving fund (36 4025 03 704)				
Guaranteed loan limitation	31,622,000	2,751,114	32,700,000	2,844,900